



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
<http://www.blm.gov>



M/D 4/5/2002  
TASK # 2388

INcoming  
cc: LESTIC

SEP 18 2008

RECEIVED

SEP 23 2008

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:  
UTU-087809  
3590  
(UT-923)

CERTIFIED MAIL--Return Receipt Requested 7008 0150 0001 1073 2605

Mr. Rick York  
P.O. Box 1208  
Moab, Utah 84532

Re: Mining Plan Federal Potash Lease UTU-087909-UTU-087818 response to Mining Plan submittal on May 9, 2008.

Dear Mr. York:

BLM received and reviewed your Mining Plan dated May 9, 2008. As a result of our review, BLM has some concerns with the bonding portion of the Mining Plan. Although DOGM has accepted the bond amount in the document, BLM requires an additional financial guarantee:

1. Drawing 6.8 shows the reclamation of the old Pond V system. The drawing indicates that on the south side of the pond system a ditch will be reclaimed leaving the berm unreclaimed. On September 5, 2008 BLM took photographs of the south east side of the Pond V system showing that there is both a ditch and berm (see photo 1, below). There is approximately 8.5 miles (including section 16) of berm that has not been accounted for in the bond calculation. This equates to approximately \$296,000 based on your cost estimates (\$17,375 for 1/2 mile).
2. Your plan contains no provisions for re-establishing the land survey grid. In a letter sent to Intrepid entitled "Mining Plan Federal Potash Lease UTU-087909-UTU-087818, Informal response to comments on survey issues from August 23, 2006 meeting", we stated that the survey grid would take about \$200,000 to re-establish. This needs to be added to the bond amount.
3. The Right of Way (ROW) 074087 for the Salt Lay Down project. Is part of the mine plan and needs to be addressed in the reclamation plan. None of the maps include this ROW, but the ditch and berm can be seen (on photos 2 and 3 attached). From these photos we estimate the length of the ditch and berm to be approximately 5.7 miles. We estimate that the volume of material is about the same as the north ditches (\$4261 per 1/2 mile) which results in a reclamation cost of approximately \$49,000.

4. Total Bond addition

Bond Requirement	Dollar Amt	Total
Pond V Dike	\$296,000	
Survey Monuments	\$200,000	
ROW Berm	\$ 49,000	
Total		\$545,000
10 % Project Mgt	\$54,500	
Total		\$595,500
18% BLM Overhead	\$107,190	
Total		\$702,690
12.95% Escalation (5 Years)	\$77,117	
Grand Total		\$779,807
Total Additional Reclamation Bond Amt		\$780,000

5. Other Mining Plan Issues.

- a. The ROW 074087 is required to be addressed as part of the Mining Plan and should be on the maps.
  - b. The BLM has requested in the past that the maps be made to a scale that an engineer's scale can be used to determine the distances without having to convert the lengths. 43 CFR 3592.2 provides, "Maps of underground working and surface operations shall be drawn to a scale acceptable to the authorized officer... Maps shall be based on accurate surveys and certified by a professional engineer, professional land surveyor or other professionally qualified person." Also the maps should be certified.
  - c. The changes in the bonding requirements should be reflected in the maps.
  - d. The BLM copy of the Mining Plan should be the same as the DOGM copy or at least the text pages should be the same. If the introductions are different then this is acceptable.
  - e. The ditch flow on the south ditch in the old Pond V on drawing 5.7 is opposite the flow direction shown on drawing 6.8. This should be a corrected.
6. Please provide a response on how Intrepid proposes to address these issues within 30 days from receipt of this letter.

*JAMES F KOHLER*

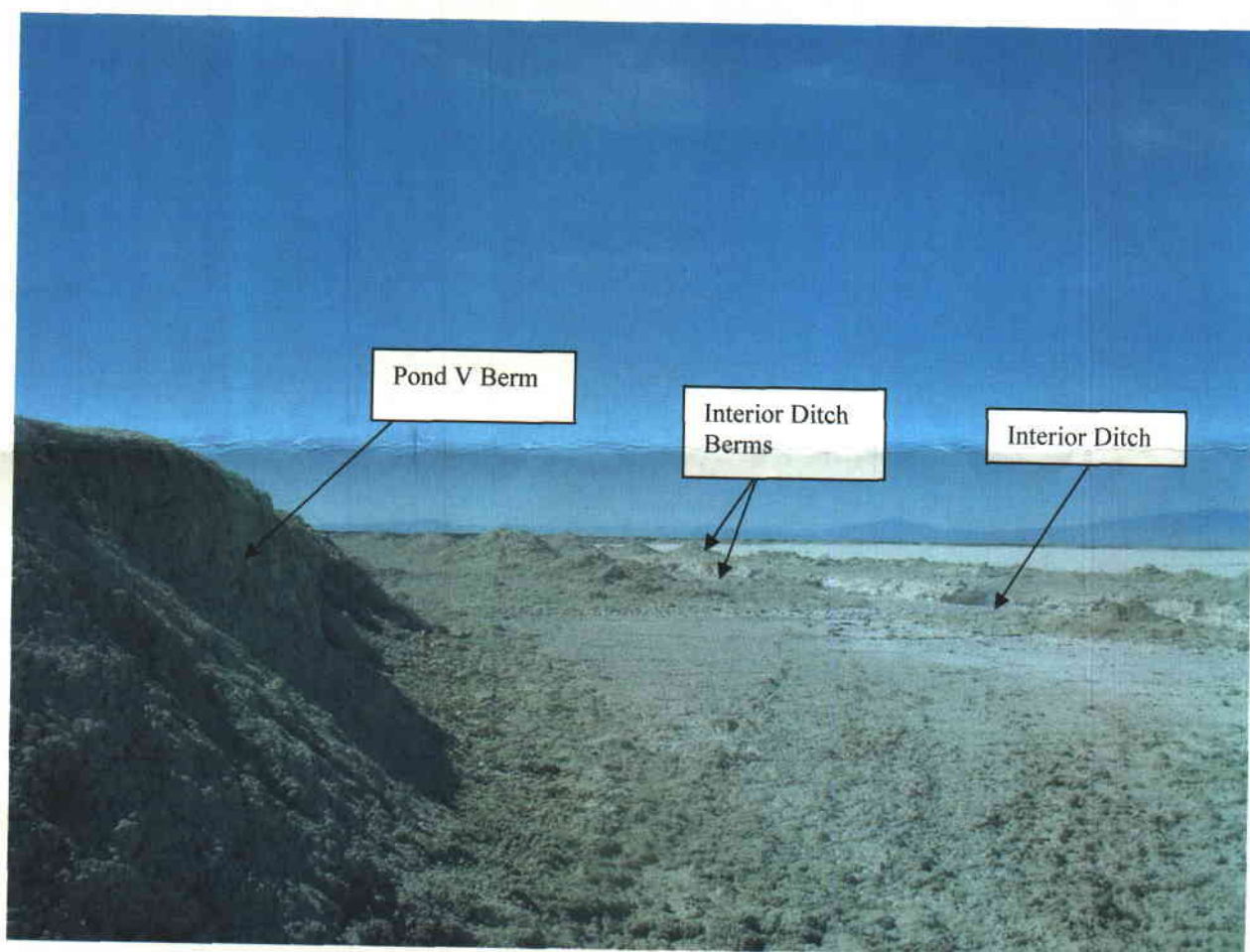
James F. Kohler  
Chief, Solids Minerals Branch

Cc: Salt Lake Field Office, Attn: Larry Garahana

Utah Division of Oil, Gas and Mining, P.O. Box 145801, Salt Lake City, Utah 84114-5801,  
Attn: Leslie Heppler

Intrepid Potash, Attn: Mike Lehman, P.O. Box 580, Wendover, Utah 84083

Intrepidmineplancomments9-28-08SP-SA



**Photo 1. Pond V berm on the far left and the ditch with berms on the right.**

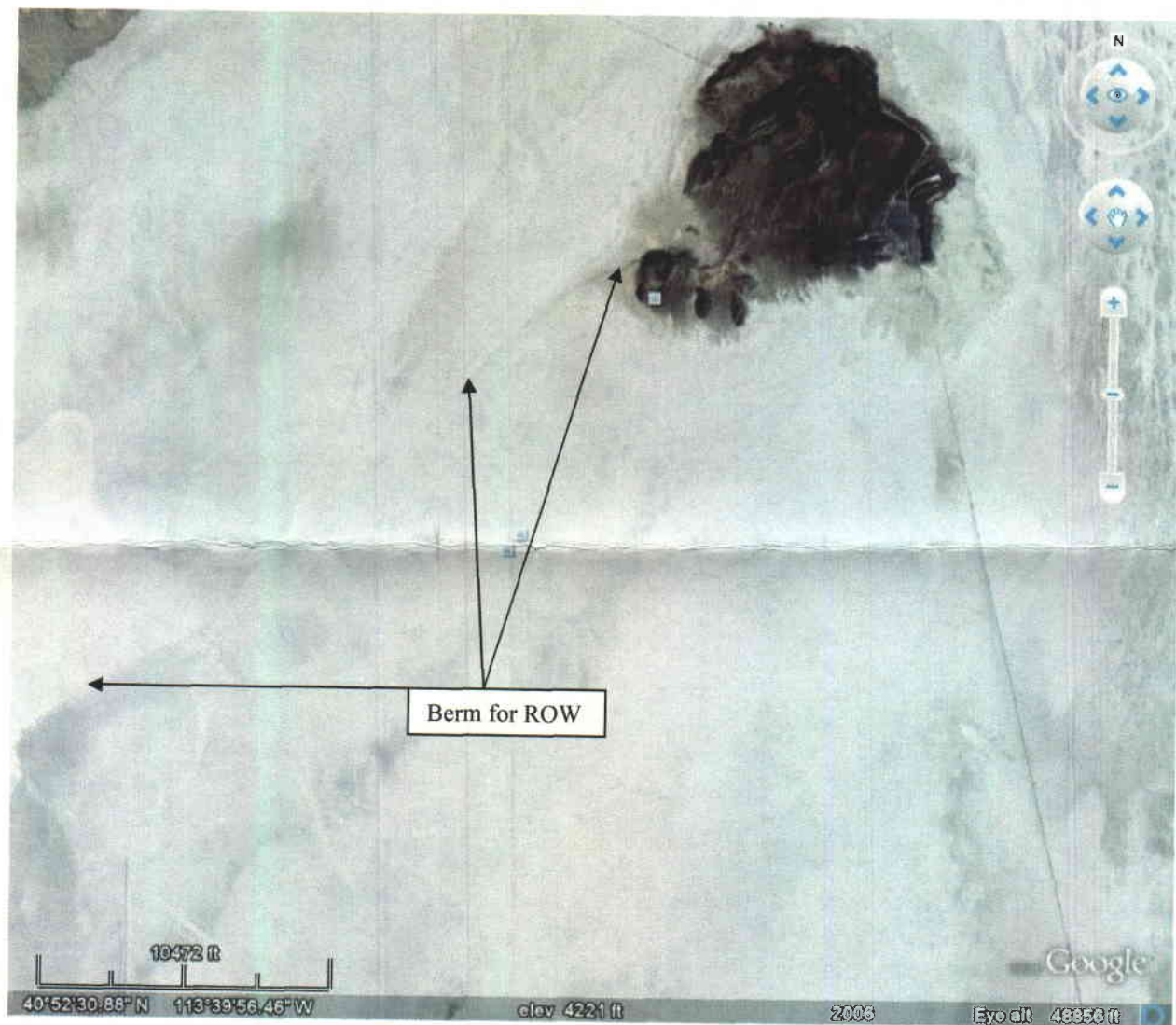


Figure 2 ROW ditch/berm on Google Earth

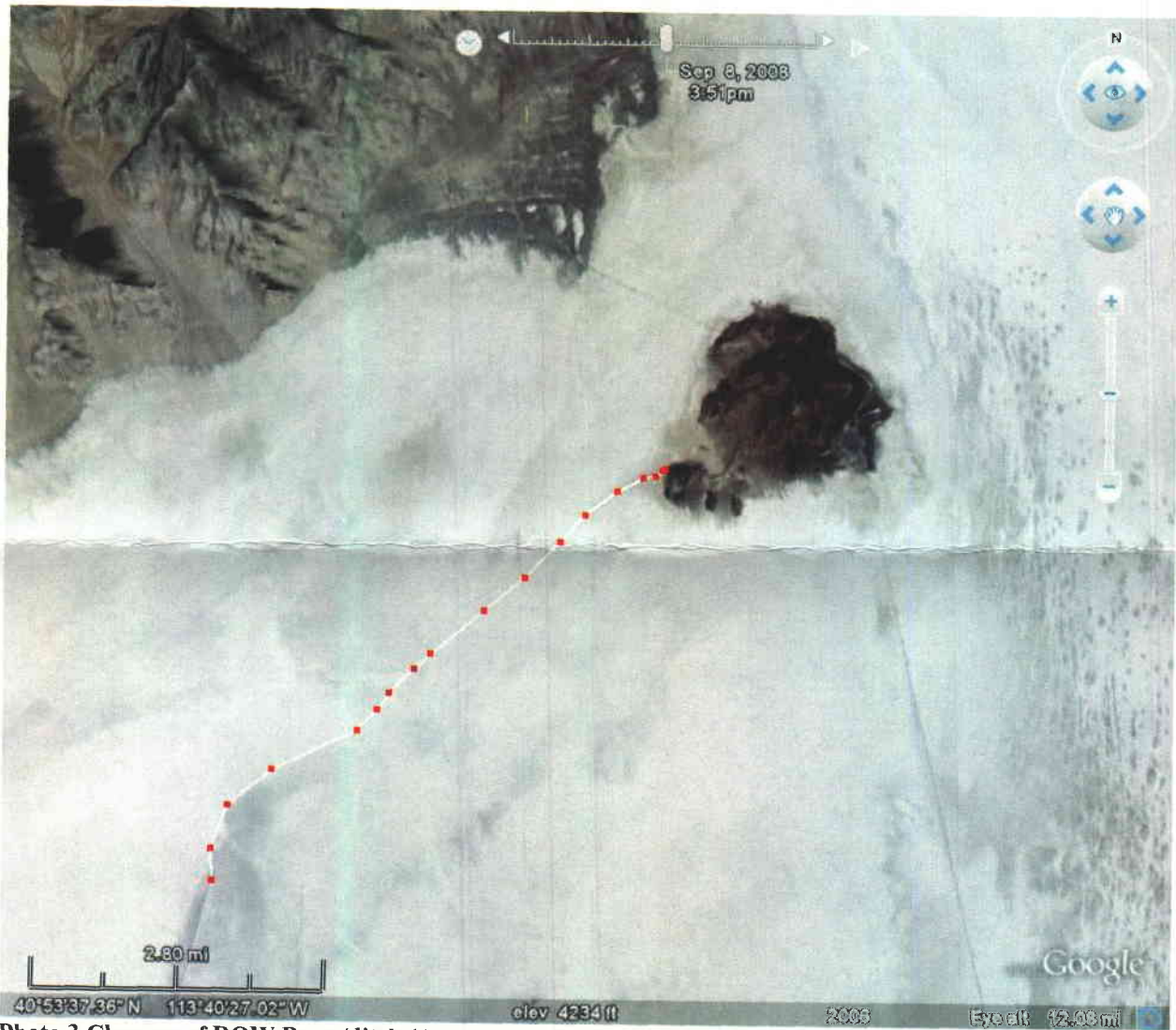


Photo 3 Close up of ROW Berm/ditch (Approximately 5.7 miles)